

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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In the Matter of )  
)  
)

Request for Review of a Decision of the )  
Universal Service Administrator by )  
Fort Zumwalt School District, )  
O'Fallon, Missouri )  
\_\_\_\_\_ )

CC Docket No. 02-6

**REQUEST FOR REVIEW OF A DECISION OF THE UNIVERSAL SERVICE  
ADMINISTRATOR UNDER THE SCHOOLS AND LIBRARIES UNIVERSAL SERVICE  
SUPPORT MECHANISM BY FORT ZUMWALT SCHOOL DISTRICT, O'FALLON,  
MISSOURI**

**USAC Decision**

The Universal Service Administrative Company (USAC) denied Funding Request Number (FRN) 1279047 in Funding Year 2005 Form 471 # 465188 with the explanation: "Category of service was changed from Telecommunications Service to Internal Connections. Given demand, the funding cap will not provide for Internal Connections at your approved discount level to be funded. Please see [www.sl.universalservice.org](http://www.sl.universalservice.org) for further details."

Fort Zumwalt School District appealed that decision to USAC on May 1, 2006. USAC denied our appeal on September 12, 2006. USAC explained its decision on appeal as follows:

According to information submitted as Item 21 attachment and additional documentation submitted during Form 471 review process, the funds requested includes a request for Network Interface Modules. Per program rules, service providers may install equipment on the premises of schools as part of their provision of eligible Telecommunications Services or Internet Access. However, that equipment may be considered as part of the provision of end-to-end Telecommunications Services or Internet Access (and not as Internal Connections) if the applicant demonstrates that it meets the following criteria: that the school's internal communications network would function without dependence on the equipment. Since this criterion was not met, the equipment is

not eligible for funding under Priority One services. This determination was based upon the authorized contact's response to the On-Premise Equipment for End-to-End Service Questionnaire that was issued by Program Integrity Assurance during the course of the initial review. On appeal, you were given the opportunity to provide the costs associated with the on-premise equipment on May 11, 2006, May 17, 2006, and May 19, 2006. Your May 16, 2006, May 18, 2006 and May 31, 2006 responses did not identify the costs associated with the on-premise equipment. All 3 responses verified that the equipment was included in the cost for service. The May 31, 2006 response stated that Charter does not break out the costs of the on-premise equipment. Therefore, 100% of the request is considered Internal Connections. Since the cost related with equipment is greater than 30%, then the entire funding request was reviewed for eligibility under the internal connections category. In Funding Year 2005, the funding cap will not allow for the funding of internal connections at your requested discount levels for this FRN.

### **District's Error**

My predecessor at Fort Zumwalt School District filed this FY 2005 request for funding and responded to inquiries about it from USAC. He has explained to me that he sent in the proposal for this Wide Area Network (WAN) from Charter Communications as the Item 21 attachment for the FRN. That document includes an Equipment List that shows "Network Interfaces (NIMs)." During review of the request in the spring of 2005, he was asked to respond to questions about the on-premise equipment, including Question #7: "Will the school's or library's internal communications network function without dependence on the equipment?" He responded: "No we cannot operate without the equipment – this is a managed, leased network." Clearly, he misunderstood USAC's question. USAC was asking whether the "internal" network, or Local Area Network, would work without the equipment. The correct answer to that question is that the internal network would work without the NIMs, but he thought the question was about the Wide Area Network – the "managed, leased network" – and he indicated that (of course) it would not.

### **District's Appeal to USAC**

In the May 1, 2006, appeal that I filed, I included the questions about the on-premise equipment that had been posed to the District by USAC and answered them again. On Question #7, I responded: "YES \* this was previously answered incorrectly. The district did not understand you were asking about our LAN \* The district interpreted this as our WAN."

### **Relationship between LAN and WAN**

I attach, for your review, a network diagram depicting the Local Area Network (LAN) for our West Middle School, a configuration that is typical of all of our schools. The circular object in the upper left corner of the diagram is the Charter router – the "NIM." It connects to a 3Com

switch. As you can see, the 3Com switch is part of the LAN. If the Charter router is removed, the LAN would continue to function, although without connection to the WAN. We have designed our network in such a fashion as to provide access to local resources at all times, regardless of the state of the WAN. Internal resources such as file storage and user communication are available through the use of Novell servers, which are located in all our buildings.

There were statements in the Charter documentation provided to USAC that should have raised questions in the reviewer's mind about the accuracy of our original response on Question #7. For example, the draft contract that was provided in the proposal (page 2 of 9 at the end of the proposal) states that:

Charter will install fiber-optic cable into each customer site as listed on the service order(s). The parties hereby acknowledge that Charter will also supply an edge device at each site that will be capable of receiving the service as specified in the service order(s).

Charter will terminate the fiber-optic cable on a patch panel at an agreed upon point of penetration (POP).

Also, on page 6 of the Charter proposal: "Any routing across the fiber optic WAN network will be managed by the district and not controlled by Charter Communications."

Page 14 of the proposal states: "Demark will be Ethernet hand-off. "

All of these statements should have shown SLD that what Charter is providing is a point-to-point Wide Area Network that is managed and supported by Charter only from Charter demark to Charter demark. The proposal made clear that Charter would terminate (thus end network support) at each site at an agreed upon POP. The District simply plugs the Ethernet hand-off into our LAN. The edge device is only provided at the demark as a part of the Charter WAN service to "light the fiber" and carry a signal back to the Charter headend. The district is controlling our LAN; Charter simply carries the routed packets across its network from its edge device on.

### **USAC Action on the District's Appeal**

For some reason, USAC ignored my clarification of the critical fact of the independence of our LAN from Charter equipment in reviewing our appeal. USAC insisted on staying with the erroneous information that was supplied during application review, as the explanation for denying our appeal in the Administrator's Decision on Appeal made clear. The entire focus of the appeal review was on breaking out the cost of the on-premise equipment. I responded truthfully that Charter Communications does not break that cost out since the equipment is an integral part of its provision of Telecommunications Service.

The "Appeals Guidelines - Schools and Libraries" on USAC's Web site explain the four circumstances when appeals can be granted by USAC, and one is: "When the appeal makes

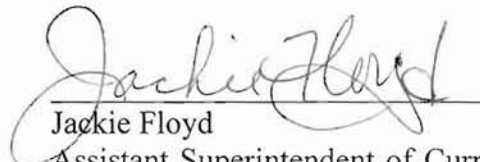
clear that the applicant made a mistake in information provided in or with the application leading to funding denial and that USAC could have identified the mistake from information provided with the application.” Clearly my predecessor made a mistake in responding to the on-premise equipment questions posed during application review. I believe that the full response to Question #7 – with the explanation that “this is a managed, leased network” – should have raised a question in the mind of the USAC reviewer about whether there was a misunderstanding of the question. The documentation provided to USAC should also have raised that question. Certainly my explanation in our appeal about the misunderstanding of that question should have led USAC to review the original response and see the inconsistency in the response. Therefore, I believe the appeals guideline is met.

### **Request to Commission**

On behalf of Fort Zumwalt School District, I ask that the Commission review the record in this case and remand this decision back to USAC with direction to accept the response provided in our appeal to Question #7.

November 11, 2006  
Date

Respectfully submitted:

  
Jackie Floyd

Assistant Superintendent of Curriculum and  
Instruction

Fort Zumwalt School District

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# Fort Zumwalt School District

110 Virgil St.  
O'Fallon, MO 63366

November 13, 2006

Dear Sir or Madam:

I have attached a copy of a network diagram depicting the Local Area Network for our West Middle School. This should serve as an example network layout for our school buildings. As you can see in the diagram, we have designed our network in such a fashion as to provide access to local resources at all times, regardless of the state of the Wide Area Network. Internal resources such as file storage and user communication are available through the use of Novell servers, which are located in all buildings. If you have any questions about our network topology, please feel free to contact me at anytime.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB Mette', with a long horizontal flourish extending to the right.

JB Mette  
Network Specialist  
Fort Zumwalt School District

(636) 240-2072 x259  
jb@fz.k12.mo.us

**West Middle School  
Fort Zumwalt School District  
9/21/05**

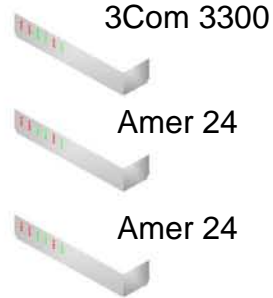
309101 Rm 117

10.10.65.1



**Novell File Server  
10.10.65.9**

Rack – 6U open



**3Com 3300**

**Amer 24**

**Amer 24**

309102 Rm 138

**3Com 3300**



Locked Rack In Ceiling

309103 Library

**Aopen**



Under Desk

309104 Tech Office

**Allied Telesyn  
5-port**



Under Desk

309105 Closet

**3Com 3000**



**3Com 3300**



**3Com 3300**



**Amer 24**



**Amer 24**



Rack – 20U open

309301 Closet

**Amer 24**



Rack – 6U open

309201 Closet

**3Com 3300**



**D-Link  
DGS-3024**



Rack – 4U open

309202 Closet

**Amer 24**



Rack – 6U open

309302 Closet

**Amer 24**



Rack – 6U open